

FARM SECURITY IN  
PALO VERDE VALLEY

U. S. Department of Agriculture  
Farm Security Administration,  
Blythe, California IX

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## ADJUSTMENT CREDIT

When a farmer has nowhere else to turn for credit he comes to the Farm Security Administration.

He may be a veteran who lost a leg at Pearl Harbor. He may have been a sharecropper in Arkansas until the dust or the tractors got him. He may have been a Negro cotton-picker who came West to do war work. Or he may have been here in the Valley many years -- tough years, many of them.

He comes to FSA for a loan. He wants to buy a tractor, or alfalfa seed, or a used truck. He thinks if he gets what he wants he will be on the highroad to prosperity.

He doesn't get his loan that easy. Maybe he doesn't get a loan at all.

FSA is not a relief agency, nor is it a bank. Its service is something different - "adjustment credit".

Every FSA loan is based on a sound Farm and Home Plan -- a written, detailed plan which is drawn up by the FSA Supervisor and the borrower family together. The plan lists crops to be grown, soil conservation practices to be followed, food to be raised for family use, farm and home improvements to be made, anticipated yields, income, expenses.

Only when a plan shows how the farm family can gain a reasonable living and repay the FSA is a loan made. Loan funds are used to put the plan into operation; occasional visits by the FSA Supervisor guide the farmer in following the plan. A record book tells him where his money goes.

Adjustment credit is designed to correct the basic causes of rural poverty.

HOW IT WORKS

One man had been trying to make water run uphill. With technical advice from an FSA engineer and a loan to hire heavy machinery he re-leveled his land for efficient irrigation. His production doubled the first year, tripled the second.

Another farmer had two horses -- and a hernia. He needed a tractor -- and an operation. He got both with an FSA loan. Now he is a successful farmer. He used to be considered a "no-good".

A farm wife went to the grocery store less often. Instead she raised a big kitchen garden, canned her surplus fruits and vegetables, kept a sow, some chickens and two milk cows. The yearly saving -- more than \$400 -- made the difference between profit and loss for the farm enterprise.

These were basic adjustments made as a result of planning and record keeping.

These adjustments paid off in dollars and in increased production for a hungry world.

They also paid off in other important ways -- in better health, greater self-respect, more regular school and church attendance, in the qualities that make for better citizenship and for a stable, prosperous community.

FSA operating loans are made at 5% interest. But if you want to know what returns Uncle Sam got on his investment -- and how the Blythe community shares in that return -- you will have to look behind the figures. You will have to look at the people behind the figures -- people who are your customers, your neighbors, your fellow-citizens.

## SOME FACTS AND FIGURES

During the past 11 years FSA has made rehabilitation (operating) loans to 213 families in the Palo Verde Valley. These loans have totalled \$414,153.

Although many of the loans have some time to run \$298,239 has been repaid. Interest payments have amounted to \$44,968.

109 families have repaid their loans in full and have been referred to other credit sources for future financing. Only 14 loans are considered uncollectible.

During the past fiscal year (ending June 30, 1946), 21 of these loans were made. Three were to veterans. The total loaned was \$34,290.

In addition, three former tenant families bought farms of their own with loans amounting to \$33,800.

Four more farm purchase loans -- two of them to veterans -- are in process and will soon be completed. Five farms are under option for purchase by veterans and tenants.

At the end of the present fiscal year approximately \$141,000 will have been loaned for the purchase of farms in the valley.

Meanwhile applications for farm purchase loans from veterans and others far exceed the supply of farms which can be bought at reasonable prices. In August 1946, the Blythe office had on hand 23 applications from veterans and other farmers.

As an aid to these veterans, the County FSA Supervisor, members of the FSA Advisory Committee, and other public-spirited citizens are making a concerted effort to find good farms which veterans may buy at un-inflated prices.